





# Do Retailers Make Better Loss Prevention Managers Than Security Personnel?

By Murry Taylor

Employing someone with a police or investigation background in the role of loss prevention manager was once seen as a logical choice for retailers: Faced with the realisation that people, both internal and external, were stealing company assets it made perfect sense to employ someone who was already catching thieves for a living. However, loss prevention has become a reluctant expense for many retailers due to the difficulty in actually quantifying the return/value loss prevention provides the business.

Retailers have never been more determined to squeeze every last piece of value out of the business and its staff than the present environment of diminishing returns. No longer are retailers accepting that a loss prevention manager's role is just about catching crooks and interviewing staff. There is a growing expectation that the loss prevention manager can walk into a retail environment and have strong administrative skills around the back of shop and the running systems controlling stock flow/movement; an intimate understanding of the supply chain, stock-take process, mark down cycles, refund procedures and the process surrounding sales (voids, over-rides, cancellations, discounts and so forth). Add

to this set of skills the ability to manage at a strategic level, deliver training across a diverse section of staff and management levels as well as carry out investigations and interviews, and you have a fairly extensive set of skills and requirements.

Which brings me back to the original question: Who would make a better loss prevention manager, somebody with a retail background or someone from a security/policing background? It is important to understand that every skill set required for this role is learnable; so in order to answer the first question, we need to answer this question – which skills are easier to learn?

On one hand, you look at the vastness of retail skills required for this position to succeed, and it would be very easy to jump to the conclusion that a person with a retail background wins hands down as the only skills totally outside of retail that have the ability to conduct an investigation; the capability to interview somebody and an understanding of how to put a brief of evidence together. It is easy to assume that these three things would be easier to learn than every aspect of retail.

Well, before you can cast your vote, you need to consider the requirements in more

detail because, although there are more retail processes to learn, they are all just processes so, given time and a bit of capability, all of them can be learned with minimal fuss.

To a certain extent, the same can be said for the interview and investigation process. Conducting an investigation, particularly a preliminary investigation, is basically a fact finding mission with the facts put into a particular context allowing a decision to be made regarding the next step/s to be taken.

The investigation process is exactly that: A process and, in the classroom, or a controlled environment the process tends to run fairly smoothly with the desired outcome usually being reached. However when it comes time to actually sit down and conduct an interview with a staff member who you believe has stolen money or assets from the company the process can become very different.

Sitting across from a person who begins to realise that you may be on to them, and you may have just enough information to have them dismissed and possibly charged, becomes a very different situation than the interview training you carried out in the classroom. All of a sudden you have a person who could do any number of things: Become verbally aggressive or abusive, clam up and say nothing, get up and walk out or even become physically violent. This is the sort of scenario that needs

to be considered when making the choice of who to select to head up a loss prevention department.

To give you an example – I had a loss prevention manager who came from a retail background, and he was very sound in all of the business's administration and operational processes. The only process left to master was how to conduct an interview. I did all of the things that you do with a novice at conducting interviews: I had him sit in on interviews as a witness to purely observe the process, and I had him carry out countless mock interviews covering every scenario you could think of.

After a solid four weeks, he was confident and comfortable with his new found skill sets around interviewing, so he headed off to carry out his first interview which was a fairly straightforward theft issue.

About ten minutes in, it all went pear shaped: The staff member didn't like the way he was being spoken to and suddenly jumped up, ripped his shirt off and shaped up to fight my manager. After an aggressive verbal tirade, the offender ran out of the store. One month later and several sick days in between, my manager transferred out.

While this is an example of a retailer being unsuccessful in loss prevention, I'm sure that there are plenty that have been successful. Woolworths, one of this country's largest

retailers, has made a significant change in how loss prevention is run. Previously, the head of loss prevention for the Woolworths group came from a policing background and then worked up through the ranks of loss prevention to eventually hold one of the most senior loss prevention positions in the country.

When he retired last year, Woolworths made the decision to replace him with a highly competent and very successful retail executive. While his background wasn't loss prevention, his understanding of retail and ability to manage people is at an extremely high level. Add to this the fact that he has highly competent national loss prevention managers across each brand (Big W, Dick Smith, Masters among others) who all have extensive loss prevention backgrounds, and this would appear to be a structure that is destined to succeed.

So is one better than the other? I guess only time will tell. ■

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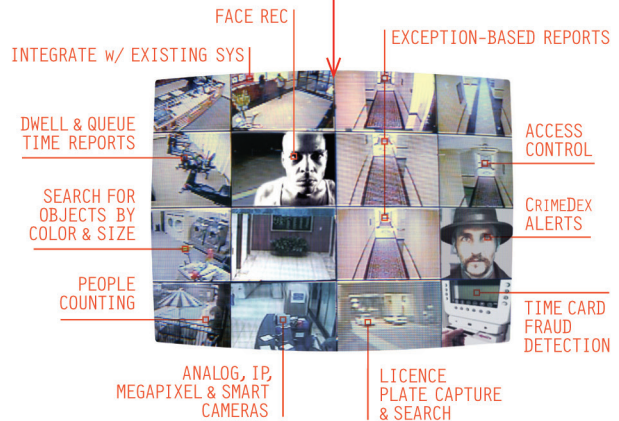
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